

REMARKS

Previously withdrawn claims 1-6 and 13-20 are cancelled without prejudice. Claims 7-12 remain in the application for consideration of the Examiner.

INFORMATION DISCLOSURE STATEMENT:

The Office Action states that no form PTO-1449 was included with the IDS filed on 30 January 2002. However, it is respectfully pointed out that this statement is incorrect. Attached is a copy of the PTO-1449 that was filed on 30 January 2002. Also attached is a copy of the return postcard date-stamped by the USPTO acknowledging receipt of the PTO-1449. Consideration of the cited art is therefore respectfully requested.

REJECTIONS UNDER 35 U.S.C. § 103(a):

Claims 7-12 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 5,960,414 to Rand, et al. ("Rand"). However, because Rand fails to disclose or suggest all of the limitations of claims 7-12, Rand cannot render these claims obvious.

As a preliminary note, Applicants respectfully request clarification with respect to the statement in the Office Action that "intended use claim language, e.g. for redistributing, is given patentable weight, but less patentable weight than positively recited claim language, e.g. a system."¹ Applicants are unclear as to what authority serves as a basis for this alleged rule since no authority is cited. Applicants are also unclear as to how the alleged rule applies to the present claims and the extent to which the alleged rule applies to the present claims.

The Office Action effectively concedes that Rand fails to teach defining locations and transferring inventory between locations by relying on a taking of official notice.² As such, Rand fails to render obvious claim 7 or any of its dependent claims.

¹ Office Action, page 2, last two lines.

² See *Id.* at page 3, lines 2-4.

With respect to the Official Notice taken in the Office Action, Applicants respectfully request clarification as to the extent of the subject matter for which official notice is being taken.

Further, Applicant hereby traverses the Official Notice because the asserted facts are not supported by documentary evidence and appear to be the Examiner's opinions formulated using the present application as a template, which constitutes impermissible use of hindsight.

"Official Notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances. While 'official notice' may be relied upon, these circumstances should be rare when an application is under final rejection or action under 37 C.F.R. 1.113. Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. As noted by the court in *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970), the notice of facts beyond the record which may be taken by the examiner must be 'capable of such instant and unquestionable demonstration as to defy the dispute'(citing *In re Knapp Monarch Co.*, 296 F.2d 230, 132 U.S.P.Q. 6 (C.C.P.A. 1961))." MPEP § 2144.03(A) (emphasis in original).

"It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known." MPEP § 2144.03(A) (emphasis in original).

The Office Action provides no documentary evidence to support the Official Notice taken by the Examiner, yet the asserted facts are not capable of "instant and unquestionable" demonstration as being well-known. Thus, if the Examiner continues to maintain the rejection of claims 7-12 based on the Official Notice, the Applicant requests that the Examiner provide documentary evidence as stated in Section 2144.03 of the M.P.E.P. Further, if the Examiner is relying on personal knowledge to support the finding of what is known in the art, Applicant requests that the Examiner provide an affidavit or

declaration setting forth specific factual statements and explanation to support the finding. (See MPEP § 2144.03(C)).

The Office Action does not address dependent claims 8-12 beyond a cursory statement that they are rejected under § 103 over Rand. For example, while the Office Action effectively concedes that Rand fails to teach defining locations and transferring inventory between locations by relying on a taking of official notice, the Office Action provides no explanation as to how Rand renders obvious the more specific dependent claims that include limitations related to parts locations and inventory transfer.

For the reasons set forth herein, the Applicant submits that claims 7-12 are not rendered obvious by Rand. The Applicant further submits that claims 7-12 are in condition for allowance. Therefore, the Applicant respectfully requests that the rejection of claims 7-12 be reconsidered and that claims 7-12 be allowed.

The Legal Standard for Obviousness Rejections Under 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there must be something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination.

Panduit Corp. v. Dennison Mfg. Co., 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

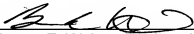
The undersigned hereby authorizes the Director to charge any fees that may be required, or credit any overpayments, to **Deposit Account No. 500777**. If an extension of time is necessary for allowing the Amendment to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

19 OCT 2005

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